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## **HSBC BUILDS TOKENISED DEPOSIT-BASED TREASURY MANAGEMENT CAPABILITIES**

HSBC announced today it had successfully tested the use of tokenised deposits in intra-group payment transactions together with Ant Group. This initiative, the first of its kind in Hong Kong, aims to explore the potentials of deposit tokenisation in enabling always-on, real-time treasury fund movement between accounts held by a corporate within the HSBC network.

Conducted under the Hong Kong Monetary Authority's Fintech Supervisory Sandbox arrangement, the test encompassed the issuance, transfer, and redemption of deposit tokens. It will pave the way for future research on how blockchain and tokenisation can drive efficiencies and foster innovations in corporate treasury management.

During the test, HSBC was connected to the blockchain platform developed by Ant Group. The platform, supported by Ant Group's banking partners, enhances treasury fund transfer with improved turnaround time, cost efficiency, and visibility.

**Vincent Lau, Global Head of Emerging Payments, Global Payments Solutions, HSBC**, said: "We are excited to apply the concept of tokenised deposit to unlock next-generation treasury solutions together with Ant Group. The test exemplifies cutting-edge banking capabilities available in Hong Kong as a corporate treasury hub. At HSBC, we will continue to leverage tokenised deposit and other financial innovations to streamline and optimise treasury management for our clients."

**Kelvin Li, Head of Global Fund Platform, International Business Group, Ant Group**, said: "Blockchain and Web3 technologies are enabling digitalisation of industry collaboration and innovations on value movement, significantly improving the efficiency on liquidity and corporate treasury management. We are excited to join hands with HSBC to build and test this tokenised deposit service, and will explore further opportunities together to accelerate the financial innovations in Hong Kong."

Since 2020, HSBC has been providing support for Ant Group's blockchain-based real-time treasury management solution. It facilitates treasury payments across global treasury centres, supporting major currencies including HKD, CNY, USD, GBP, and EUR.

HSBC's involvement in various Central Bank Digital Currency (CBDC) and tokenised deposit projects demonstrates its commitment to driving innovation in the financial industry. The Bank has participated in successful pilots,

including Project mBridge\*, which utilised CBDCs for cross-border wholesale transactions, as well as a cross-border CBDC payment orchestration pilot organised by Swift. Additionally, it took part in proof-of-concept projects that explored the feasibility of an interoperable digital money platform known as the regulated liability network in the US and UK.

HSBC will continue to expand its tokenisation capabilities and explore new use cases for tokenised deposits and to share best practices with other markets.

\* mBridge is a joint project between the BIS Innovation Hub Hong Kong Centre, the Hong Kong Monetary Authority, the Bank of Thailand, the Central Bank of the United Arab Emirates and the Digital Currency Institute of the People's Bank of China.

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**Note to editors:**

**The Hongkong and Shanghai Banking Corporation Limited**

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. HSBC serves customers worldwide from offices in 62 countries and territories. With assets of \$3,021bn at 30 September 2023, HSBC is one of the world's largest banking and financial services organisations.

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